

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

1. **SF-424**: The HUD-required SF-424 will be submitted to HUD with the final document.

2. **Summary of Consultation Process**

County Planning held three noticed published workshops in February 2012, plus an additional meeting to consult with Continuum of Care stakeholders regarding implementation of the Emergency Solutions Grant. Participating agencies included Community Action Partnership of San Luis Obispo County, the Link, the North County Women's Shelter, the Women's Shelter Program of San Luis Obispo County, Transitions Mental Health Association, El Camino Homeless Organization, People's Self Help Housing Corporation, the Housing Authority of the City of Paso Robles, and an ad hoc subcommittee of the Homeless Services Oversight Council. At these workshops/meetings, the County received input on how to allocate the ESG funding for eligible activities, discussed performance standards and provisions for ESG funded activities, and discussed the HMIS administration and operation. For example, the non-profit agencies identified an emphasis on the allocation of funds for rapid re-housing activities due to the local need and HUD's request to invest an unprecedented percentage of funding in rapid re-housing activities. Also, HMIS policies, procedures and administration are currently managed in the Planning and Building Department at the County. While most agencies prefer to have the County administer the HMIS, the County is open to discussing other arrangements in future years. The proposed allocation of ESG funding for each activity was the result of input from the agencies that participated in the workshops.

3. **Summary of Citizen Participation Process**

The County followed the major amendment process described in the Urban County of San Luis Obispo's Community Participation Plan. Planning staff announced the publication of the notice for the Request for Proposals to interested agencies and groups such as the Supportive Housing Consortium and the Homeless Services Oversight Council. The County held a public hearing at the Board of Supervisors for allocation of these funds and published a 30-day public notice in the Tribune newspaper with the date, time, and place of the hearing. Planning Department staff also emailed the public hearing notice to homeless providers, affordable housing developers, local governmental agencies, members of the Homeless Services Oversight Council, and other interested non-profits and members of the public.

Much of the discussions in the workshops and meeting focused around how to allocate the funds and on other technical matters. The County did receive the following specific comments though, and responded as noted below:

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

Comment: The ESG second allocations should focus on rapid re-housing. It is both a federal focus and a local need to have more funds set-aside for rapid re-housing clients.

Response: The Planning and Building Department, in conjunction with the agencies that participated in the ESG workshops, determined that 70% of the funds (minus administration and a 5% set-aside for HMIS activities) should be for rapid re-housing clients and 30% of the funds should be for homelessness prevention clients.

Comment: It is important to set aside some funds for HMIS activities.

Response: The Planning and Building Department, in conjunction with the agencies that participated in the ESG workshops, determined that 5% of the ESG funds should be set aside for HMIS activities such as purchasing licenses and/or for staff time.

Comment: Rapid re-housing clients will require more stabilization services than prevention clients.

Response: The Planning and Building Department, in conjunction with the agencies that participated in the ESG workshops, determined that 65% of the rapid re-housing funds should be for stabilization services and 35% should be for rental assistance. Additionally, it was determined that 50% of the prevention funds should be for stabilization services and 50% should be for rental assistance.

Comment: The rapid re-housing and homelessness prevention assistance provisions should be flexible, but still encourage assistance to be shorter term while promoting sustainability after the program ends.

Response: The Planning and Building Department, in conjunction with the agencies that participated in the ESG workshops and meeting, created provisions that encouraged (but do not require) a 6 month or less timeframe for assistance. Additionally, provisions such encouraging non-profits to charge some rent to clients when possible was included but not required.

4. Match

Match for ESG activities will come from a variety of sources. Cash match resources will come from rents paid as well as from income from marriage licenses for the Women's Shelter ESG program. Additionally, non-cash match will come from services by

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

collaborating agencies (such as from family advocates at the LINK, a housing locator, and ECHO volunteers). A detailed breakdown of match resources for the second allocation is noted below:

Proposed Match Sources

Family advocate services (\$35,000)

LINK support (\$12,000)

locator staff (\$6,069)

South County SAFE Family Resource centers work/meeting space (\$2,900)

services by other collaborating agencies (\$7,000)

marriage licenses income (\$6,407)

rents paid (\$2,361)

Total Match for ESG Second Award: \$71,737

The uses of match resources will include housing search and placement, housing stability case management, and rent.

Proposed match sources for the first allocation of funds (\$91,683) will come from private donations, Community Based Organization grant, Emergency Food and Shelter Grant, the United Way Community Impact Fund, and marriage license fee income. The uses of these funds will be for operations and essential services.

5. Proposed Activities and Overall Budget

a. *Proposed activities*

The County of San Luis Obispo will allocate the second allocation of the ESG funds to the following activities:

- **Activity:** Rapid Re-Housing – Rental Assistance

Priority Need: Addressing homelessness; prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services
Description: Non-profit agencies will provide short and medium-term rental assistance (\$10,494) to homeless persons. The number of households served: 15 The number of persons served: 35
Objective category: <input type="checkbox"/> Suitable Living Environment <input checked="" type="checkbox"/> Decent Housing <input type="checkbox"/> Economic Opportunity
Outcome category: <input type="checkbox"/> Availability/Accessibility <input checked="" type="checkbox"/> Affordability <input type="checkbox"/> Sustainability

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

Location/Target Area: Countywide, emphasis on the North County region of San Luis Obispo County	
Start Date: 7/1/2012	Completion Date: 6/30/2014
Funding Source: \$14,817 ESG Funds	
Performance Indicator & Projected Accomplishment in one Year & the Period the Grant will be Used: Indicator: Persons assisted from homelessness into permanent housing. Projected Accomplishment: 20 homeless persons living on the streets and/or emergency shelters will be housed in year one, and 35 over the life of the grant.	
Performance Indicator & Projected Accomplishment in one Year & the Period the Grant will be Used: Indicator: Track client data in HMIS. Projected Accomplishment: 100% of the persons served will be entered in HMIS.	
The primary purpose of the project is to help: <input checked="" type="checkbox"/> the Homeless <input type="checkbox"/> Persons with HIV/AIDS <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Public Housing Needs	

• **Activity:** Rapid Re-Housing - Homeless Relocation and Stabilization Services

Priority Need: Addressing homelessness; prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services	
Description: Non-profit agencies will provide deposits, housing search and placement, and housing relocation and stabilization services to homeless persons. The number of households served: 15 The number of persons served: 35	
Objective category: <input type="checkbox"/> Suitable Living Environment <input checked="" type="checkbox"/> Decent Housing <input type="checkbox"/> Economic Opportunity	
Outcome category: <input type="checkbox"/> Availability/Accessibility <input checked="" type="checkbox"/> Affordability <input type="checkbox"/> Sustainability	
Location/Target Area: Countywide, emphasis on the North County region of San Luis Obispo County	
Start Date: 7/1/2012	Completion Date: 6/30/2014
Funding Source: \$27,517 ESG Funds	
Performance Indicator & Projected Accomplishment in one Year & the Period the	

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

Grant will be Used: Indicator: Persons assisted from homelessness into permanent housing. Projected Accomplishment: 20 homeless persons living on the streets and/or emergency shelters will be housed in year one, and 35 over the life of the grant.
Performance Indicator & Projected Accomplishment in one Year & the Period the Grant will be Used: Indicator: Track client data in HMIS. Projected Accomplishment: 100% of the persons served will be entered in HMIS.
The primary purpose of the project is to help: <input checked="" type="checkbox"/> the Homeless <input type="checkbox"/> Persons with HIV/AIDS <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Public Housing Needs

• **Activity:** Homelessness Prevention - Rental Assistance

Priority Need: Addressing homelessness; prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services	
Description: Non-profit agencies will provide short and medium-term rental assistance to households at risk of becoming homeless. The number of households served: 10 The number of persons served: 22	
Objective category: <input type="checkbox"/> Suitable Living Environment <input checked="" type="checkbox"/> Decent Housing <input type="checkbox"/> Economic Opportunity	
Outcome category: <input type="checkbox"/> Availability/Accessibility <input checked="" type="checkbox"/> Affordability <input type="checkbox"/> Sustainability	
Location/Target Area: Countywide, emphasis on the North County region of San Luis Obispo County	
Start Date: 7/1/2012	Completion Date: 6/30/2014
Funding Source: \$9,072 ESG Funds	
Performance Indicator & Projected Accomplishment in one Year & the Period the Grant will be Used: Indicator: Persons prevented from becoming homeless Projected Accomplishment: 14 persons at risk of becoming homeless will remain housed in year one, and 22 over the life of the grant.	

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

Performance Indicator & Projected Accomplishment in one Year & the Period the Grant will be Used: Indicator: Track client data in HMIS. Projected Accomplishment: 100% of the persons served will be entered in HMIS.
The primary purpose of the project is to help: <input checked="" type="checkbox"/> the Homeless <input type="checkbox"/> Persons with HIV/AIDS <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Public Housing Needs

- **Activity:** Homelessness Prevention - Homeless Relocation and Stabilization Services

Priority Need: Addressing homelessness; prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services	
Description: Non-profit agencies will provide deposits, housing search and placement, and housing relocation and stabilization services to persons at risk of becoming homeless. The number of households served: 10 The number of persons served: 22	
Objective category: <input type="checkbox"/> Suitable Living Environment <input checked="" type="checkbox"/> Decent Housing <input type="checkbox"/> Economic Opportunity	
Outcome category: <input type="checkbox"/> Availability/Accessibility <input checked="" type="checkbox"/> Affordability <input type="checkbox"/> Sustainability	
Location/Target Area: Countywide, emphasis on the North County region of San Luis Obispo County	
Start Date: 7/1/2012	Completion Date: 6/30/2014
Funding Source: \$9,072 ESG Funds	
Performance Indicator & Projected Accomplishment in one Year & the Period the Grant will be Used: Indicator: Persons prevented from becoming homeless Projected Accomplishment: 14 persons at risk of becoming homeless will remain housed in year one, and 22 over the life of the grant.	
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EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

HIV/AIDS <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Public Housing Needs <input type="checkbox"/>	
<ul style="list-style-type: none"> • Activity: Homeless Management Information System (HMIS) 	
Priority Need: Addressing homelessness; prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services	
Description: Non-profit agencies will pay for staff time and/or purchase licenses or pay for other eligible costs associate with the use of the Homeless Management Information System. All persons served with ESG funds will be entered into HMIS.	
Objective category: <input type="checkbox"/> Suitable Living Environment <input checked="" type="checkbox"/> Decent Housing <input type="checkbox"/> Economic Opportunity	
Outcome category: <input type="checkbox"/> Availability/Accessibility <input checked="" type="checkbox"/> Affordability <input type="checkbox"/> Sustainability	
Location/Target Area: Countywide	
Start Date: 7/1/2012	Completion Date: 6/30/2014
Funding Source: \$3,587 ESG funds \$60,000 Continuum of Care grant funds \$15,000 Community Development Block Grant (CDBG) funds	
Performance Indicator & Projected Accomplishment in one Year & the Period the Grant will be Used: Indicator: Track client data in HMIS. Projected Accomplishment: 100% of the persons served will be entered in HMIS.	
The primary purpose of the project is to help: <input checked="" type="checkbox"/> the Homeless <input type="checkbox"/> Persons with HIV/AIDS <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Public Housing Needs	

b. Discussion of Funding Priorities

In February 2012, HUD requested that all ESG recipients invest an unprecedented percentage of ESG funding into rapid re-housing activities. Additionally, local providers expressed the need for a majority of the funds to be allocated for rapid re-housing activities. Based on the second Annual Progress Report of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) grant, 81 percent of rapid re-housing clients needed assistance for only six months or less before exiting the

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

program. Additionally, in the second year of the HPRP grant program, 100% of rapid re-housing clients that received more than 90 days of assistance left to permanent destinations and 94% of rapid re-housing clients that received 90 days or less of assistance exited to permanent housing. Based on these results, it is clear that short to medium term rental assistance for homeless persons are producing successful results.

Based on the national priorities stated in “Opening Doors: Federal Strategies Plan to Prevent and End Homelessness,” the ESG funds will be used to further the goal of setting a path to ending all types of homelessness. While the chronically homeless, homeless veterans, and homeless families, youth and children will be served with ESG funds, the focus will be setting a path to ending all types of homelessness.

c. Detailed Budget

FY 2012 Detailed Budget Table				
First Allocation		FY 2012		
Second Allocation		<u>Emergency Shelter Grants/Emergency Solutions Grants</u>		
Grant Amount		<u>Program Allocations</u>		
Total Administration				
		First Allocation	Second Allocation	Total Fiscal Year 2012
	Eligible Activities	Activity Amount	Activity Amount	Activity Amount
Emergency Solutions Grants Program	Emergency Shelter	\$87,099.00		\$87,099.00
	<i>Renovation</i>	<i>\$0.00</i>		<i>\$0.00</i>
	<i>Operation</i>	<i>\$59,595.00</i>		<i>\$59,595.00</i>
	<i>Essential Service</i>	<i>\$27,504.00</i>		<i>\$27,504.00</i>
	<i>URA Assistance</i>	<i>\$0.00</i>		<i>\$0.00</i>
	Street Outreach - Essential Services	\$0.00		\$0.00
	HMIS		\$3,587	\$3,587
	Rapid Re-housing		\$42,335	\$42,335
	<i>Housing Relocation and Stabilization Services</i>		<i>\$27,518.00</i>	<i>\$27,518.00</i>
	<i>Tenant-Based Rental Assistance</i>		<i>\$14,817.00</i>	<i>\$14,817.00</i>
	<i>Project-Based Rental Assistance</i>		<i>\$0.00</i>	<i>\$0.00</i>
	Homelessness Prevention		\$18,144	\$18,144
	<i>Housing Relocation and Stabilization Services</i>		<i>\$9,072.00</i>	<i>\$6,425</i>
	<i>Tenant-Based Rental Assistance</i>		<i>\$9,072.00</i>	<i>\$6,425</i>
	<i>Project-Based Rental Assistance</i>		<i>\$0.00</i>	<i>\$0.00</i>
	Administration	\$4,584.00	\$7,671.00	\$7,671.00
	Subtotal	\$91,683.00	\$71,737.00	
		Total Grant:		\$163,420

6. Standards for the Provision of ESG Assistance

a. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under the ESG program.

The first step in any ESG program activity is to determine client eligibility. To be eligible for ESG assistance, all households must meet the definition of homeless or at-risk of homelessness posted in the federal register on December 5, 2011 (see definitions below). Third party documentation is the preferred documentation.

Once it is determined that the client meets the homeless or at-risk definition, the income criteria, and housing status criteria based on the regulations, it is important to then assess which ESG program is the most appropriate program for that individual or household (Emergency Shelter, Rapid Re-Housing services, or Homelessness Prevention services).

*The definition of **homeless** is as follows:*

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low income individuals); or
 - (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- (2) An individual or family who will imminently lose their primary nighttime residence provided that:
 - (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - (ii) No subsequent residence has been identified; and
 - (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;
- (3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
 - (i) Are defined as homeless under section 387 of the Runaway and Homeless

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

(i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

(ii) Has no other residence; and

(iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

*The definition of **at risk of homelessness** is as follows:*

(1) An individual or family who:

(i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;

(ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "Homeless" definition in this section; and

(iii) Meets one of the following conditions:

(A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(B) Is living in the home of another because of economic hardship;

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

(C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;

(E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;

(F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;

(2) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e– 2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(3) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

b. Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

It is a local and federal requirement that ESG recipients and sub-recipients coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted toward homeless people, including mainstream housing, health, social services, employment, education, and youth programs.

Emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers will continue to coordinate programs and assistance through the Homeless Services Oversight Council, its committees/ working groups, and/or other Continuum of Care working groups. **ESG**

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

subrecipients will attend at least quarterly meetings to discuss coordination with other agencies.

Non-profit providers will refer clients to other programs that can be of assistance when appropriate. Clients should be provided access or information (at a minimum) to the following programs: social security benefits, disability benefits, CalFresh (food stamps), job training programs, mental health services, veterans services, services for victims of domestic violence, Community Health Centers (CHC) or other relevant health care programs, education programs, and job training programs.

- c. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.**

All subrecipient agencies must use the common assessment form developed by CoC participating agencies when determining priority for assistance. An individual or family's ability to sustain housing should not be a threshold requirement.

Prevention Assistance

Only persons who are below 30% of Area Median Income, and who are at imminent risk of homelessness according to the federal definition may receive assistance. Non-profit subrecipients providing such assistance must document household income information and proof that homelessness is imminent, and maintain this documentation for 5 years after expenditure of all funds from the grant under which the participant was served. No financial assistance may be provided to a household for a purpose and time period supported by another public source.

Rapid Re-Housing Assistance

Only persons who are literally homeless per the federal definition will be eligible for ESG rapid re-housing assistance. Non-profit subrecipients providing this assistance must document that the household is homeless and maintain this documentation for 5 years after expenditure of all funds from the grant under which the participant was served. No financial assistance may be provided to a household for a purpose and time period supported by another public source.

- d. Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.**

ESG rental assistance is not a substitute for longer term or permanent rental subsidies, but a tool to help stabilize families or individuals who are at imminent risk of becoming homeless or are currently homeless and lack any other resources to

EXHIBIT E:
Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

help them stabilize their housing situation. Charging rent is not a requirement of the program. Additionally, subrecipients should target charging 50% or less of a client's income on rent and utilities in order to facilitate self-sufficiency after assistance ends. Each client's contribution to rent and utilities (if any) should be based on the housing case plan.

Income will be calculated the same way that the Homelessness Prevention and Rapid Re-Housing Program (HPRP) income is calculated per the Eligibility Determination and Documentation Guidance issued by the U.S. Department of Housing and Urban Development in August 2011 (see Income Definition below).

Income Definition:

All households applying for ESG Homelessness Prevention assistance must have a current gross income below 30% of Area Median Income (AMI). A household's income is any money that goes to, or on behalf of, the head of household or spouse (even if temporarily absent) or to any other household member. When calculating income for eligibility, annual income includes the **current gross income of all adult household members and unearned income attributable to a minor** (e.g., child support, TANF payments, SSI payment, and other benefits paid on behalf of a minor).

Gross Income is the amount of income earned before any deductions (such as taxes and health insurance premiums) are made.

Current Gross Income is the income that the household is currently receiving at the time of application for HPRP assistance. Income recently terminated should not be included.

The ESG income definition contains income "inclusions" (types of income to be counted) and "exclusions" (types of income that are not to be counted as income) for HPRP purposes. The following types of income must be counted (inclusions) when calculating current gross income for ESG eligibility purposes:

- ☐ Earned Income
- ☐ Self Employment/Business Income
- ☐ Interest & Dividend Income
- ☐ Pension/Retirement Income
- ☐ Unemployment & Disability Income
- ☐ TANF/Public Assistance
- ☐ Alimony, Child Support and Foster Care Income
- ☐ Armed Forces Income

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

The follow types of income are NOT counted (exclusions) when calculating current gross income for ESG eligibility purposes:

- ☐ Income of Children
- ☐ Inheritance and Insurance Income
- ☐ Medical Expense Reimbursements
- ☐ Income of Live-in Aides
- ☐ Disabled Persons
- ☐ Student Financial Aid
- ☐ Armed Forces Hostile Fire Pay
- ☐ Self-Sufficiency Program Income
- ☐ Other Income (i.e., temporary, non-recurring or sporadic income)
- ☐ Reparations
- ☐ Income from full-time students
- ☐ Adoption Assistance Payments
- ☐ Deferred and Lump Sum Social Security & SSI payments
- ☐ Income Tax and Property Tax refunds
- ☐ Home Care Assistance
- ☐ Other Federal Exclusions

Annualizing Wages and Periodic Payments

When calculating income based on hourly, weekly or monthly payment information, add the gross amount earned in each payment period that is documented and divide by the number of payment periods. This provides an average wage per payment period. Depending on pay periods used by the employer or the schedule of periodic payments, the following calculations convert the average wage into annual income:

- ☐ Hourly Wage multiplied by hours worked per week multiplied by 52 weeks
- ☐ Weekly Wage multiplied by 52 weeks
- ☐ Bi-Weekly (every other week) Wage multiplied by 26 bi-weekly periods
- ☐ Semi-Monthly Wage (twice a month) multiplied by 24 semi-monthly periods
- ☐ Monthly Wage multiplied by 12 months

If a household's periodic benefits and/or period of employment is capped, grantees should not annualize benefits/pay beyond the maximum level of benefit/pay that can be received. For example, a client receives \$100 of unemployment per week, but unemployment is capped at \$4,000 per year. The client's annualized unemployment benefits should be calculated at \$4,000, and not $\$100 * 52 = \$5,200$. Another example, the household is employed for a quarter and will receive \$500/week. The client's annualized pay should be calculated at \$6,000 and not $\$500 * 52 = \$26,000$. With regard to seasonal or cyclical fluctuations in income, **for the purposes of determining household income, grantees should only annualize current gross income** per the directions specified above. However, to the extent that there is certainty about expected income, **future income should be taken into account when determining whether a household has other financial resources.**

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

Treatment of Assets

Assets are cash or material items that can be converted to cash quickly. They include both real and/or personal property and investments that a household may possess, including assets that are owned by more than one person, but allow unrestricted access to the applicant. Assets may include:

1. Amounts in checking and saving bank accounts.
2. Stocks, bonds, savings certificates, money market funds, and other investment accounts.
3. The cash value of trusts that may be withdrawn by the household.
4. IRA, Keogh and similar retirement savings accounts, even when early withdrawal will result in a penalty.
5. Lump sum receipts of cash received and accessible by household, such as inheritances, capital gains, lottery winnings, tax refunds (with the exception of federal tax refunds received within the previous 12 months), insurance settlements, and other claims.

\$7,500 is the maximum amount a client can have in liquid assets (this includes checking/savings, stocks/bonds, cash inheritance, insurance settlements, lottery winnings) when determining eligibility. Retirement accounts that have not yet been converted to income (i.e. A 40-year old potential client has \$50,000 saved in a retirement plan such as an IRA, but the client does not plan to start accessing the funds until age 59) should not be included as a liquid assets.

If Federal tax refunds received within the previous 12 months make up part of a household's cash assets, that part of the household's cash assets must not be counted among the household's financial resources when determining the household's eligibility or need for assistance under ESG.

e. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.

Rental assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance. Short-term rental assistance is assistance for up to 3 months of rent. Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent. Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears. Rental assistance may be tenant based or project-based, must be identified and approved by the County before the program year begins.

Determining length and amount of assistance

The goal is to assist clients for 6 months or less, however there is no absolute limit to assistance other than the federal regulatory limits imposed. Additionally,

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

subrecipients are encouraged to decrease assistance over time to encourage self-sufficiency after assistance has ended. The housing case plan for each client should define how many months of assistance are needed and whether assistance should decrease over time.

Use with other subsidies

Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.

Rent restrictions

Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.

Calculating Rent

The rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

Lease

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For program participants living in housing with project-based rental assistance, the lease must have an initial term of one year.

- f. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receives assistance; or the maximum number of times the program participant may receive assistance.**

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

Except for housing stability case management, no program participant shall receive more than 24 months of assistance within any 3-year period. These limits apply to the total assistance an individual receives, either as an individual or as part of a family. The goal is provide clients with 9 months or less of assistance, however there is no absolute limit to the duration of assistance other than the federal regulatory limits. Each individual housing stability case plan should determine the type, amount and duration of services needed.

Use with other subsidies

Housing stabilization and/or relocation services cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments.

Eligible Activities

Last Month's Rent

The last month's rent may be paid from ESG funds at the time the owner is paid the security deposit and last month's rent. However, this assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.

Utility deposits

ESG funds may pay for a standard utility deposit required by the utility company for all customers for utilities.

Utility payments

ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.

Moving costs

ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

Services costs

ESG funds may be used to pay the costs of providing the following services:

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

(1) *Housing search and placement*

Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:

- (i) Assessment of housing barriers, needs, and preferences;
- (ii) Development of an action plan for locating housing;
- (iii) Housing search;
- (iv) Outreach to and negotiation with owners;
- (v) Assistance with submitting rental applications and understanding leases;
- (vi) Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;
- (vii) Assistance with obtaining utilities and making moving arrangements; and
- (viii) Tenant counseling.

(2) *Housing stability case management*

ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. *This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing.* Component services and activities consist of:

- (A) Using the centralized or coordinated assessment system as required under § 576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;
- (B) Conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid rehousing assistance;
- (C) Counseling;
- (D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
- (E) Monitoring and evaluating program participant progress;
- (F) Providing information and referrals to other providers;
- (G) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
- (H) Conducting re-evaluations required under § 576.401(b).

(3) *Mediation*. ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.

(4) *Legal services*. ESG funds may pay for legal services, as set forth in § 576.102(a)(1)(vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

(5) *Credit repair.* ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.

7. Process for Making Sub-Awards

The County issued a Request for Proposals requesting that interested agencies apply for ESG funding activities. After applications were received, an ad hoc subcommittee of the Homeless Services Oversight Council (HSOC) reviewed the applications and made a funding recommendation to the Planning and Building Department. The recommendation by the ad hoc subcommittee was to fully fund the Women's Shelter Program and allocate the remaining funds to the LINK (other than some administration funds for the County). The Planning and Building Department then took the ad hoc subcommittee funding recommendation to the Board of Supervisors through a public hearing on May 8th, 2012. The public hearing notice was published in the Tribune. Finally, the Board of Supervisors approved the Substantial Amendment to the Action Plan at the hearing on May 8, 2012, including the approval of the sub-awards. This process is consistent with the Urban County of San Luis Obispo's Community Participation Plan.

8. Homeless Participation Requirement

The Homeless Services Oversight Council (HSOC) is the implementation body for the 10-Year Plan to End Homelessness and the Primary Decision Making Group for the Continuum of Care grants. It currently has 24 seats, and at least one of the seats is filled with a formerly homeless individual. It is a Brown Act and Maddy Act committee with open meetings where homeless and formerly homeless members of the public often attend to provide comments and input. An ad hoc subcommittee of the Homeless Services Oversight Council (HSOC) reviewed the ESG applications and made a funding recommendation as to which projects should be funded to the Planning and Building Department and the Board of Supervisors.

9. Performance Standards for the ESG Program

Ensuring assistance provided is reducing housing barriers:

- a. At least 25 percent of adults leaving the program have more income at exit.
- b. At least 25 percent of adults leaving the program have employment income at program exit.

Reducing the number of homeless persons living in San Luis Obispo County:

EXHIBIT E:

Emergency Solutions Grant (ESG) Substantial Amendment – FY 2012 Annual Action Plan

- c. Increase the percentage of adult project participants that exit the program to permanent housing. The increase will be based on the previous program year's performance.

Reducing returns to homelessness:

- d. Reduce the number of exited adult participants coming from homelessness from returning to homelessness. The reduction will be based on the percentage of exited adults that returned to homelessness, as measured by homeless clients returning to the program for assistance.

10. Certifications: The HUD-required ESG certifications will be submitted to HUD with the final document.